

Department of Environmental Quality

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2019 Total App	FY 2019 Actual	FY 2020 Approp	FY 2021 Request	FY 2021 Gov Rec
BY PROGRAM					
Administration and Support	8,668,500	8,458,100	9,029,200	9,162,900	9,133,500
Air Quality	14,726,500	7,890,500	14,845,300	11,197,200	10,980,100
Water Quality	22,975,100	21,117,300	23,254,200	27,527,600	26,938,000
CDA Basin Commission	526,200	179,300	531,800	284,600	278,900
Waste Mgmt and Remediation	18,145,700	12,007,000	18,577,900	17,114,800	16,916,400
INL Oversight	2,169,000	1,454,300	2,177,200	2,212,900	2,188,200
Total:	67,211,000	51,106,500	68,415,600	67,500,000	66,435,100
BY FUND CATEGORY					
General	20,461,700	20,383,400	22,576,600	22,743,900	22,046,500
Dedicated	17,808,500	8,461,200	16,953,700	15,814,100	15,676,000
Federal	28,940,800	22,261,900	28,885,300	28,942,000	28,712,600
Total:	67,211,000	51,106,500	68,415,600	67,500,000	66,435,100
Percent Change:		(24.0%)	33.9%	(1.3%)	(2.9%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	33,682,500	30,856,200	35,200,500	36,791,300	34,561,900
Operating Expenditures	24,725,300	13,138,100	25,209,000	19,622,800	20,814,700
Capital Outlay	560,100	631,800	457,100	103,200	103,200
Trustee/Benefit	8,243,100	6,480,400	7,549,000	10,982,700	10,955,300
Total:	67,211,000	51,106,500	68,415,600	67,500,000	66,435,100
Full-Time Positions (FTP)	386.00	386.00	389.00	389.00	374.00

Department Description

The Legislature created the Department of Environmental Quality (DEQ) in the public's interest, "to protect human health and the environment as its sole mission" (Section 39-102A, Idaho Code). The department is organized into six budgetary programs.

Administration and Support Services develops policies, legislation, and rules for permitting and regulatory programs; promotes public understanding of environmental issues and solicits public input; assesses program effectiveness in improving water and air quality; and services DEQ internal support needs.

The Air Quality Program addresses compliance with federal and state health-based air quality standards by monitoring air quality and collecting data; developing and issuing permits; and coordinating air quality improvement efforts made by communities, citizen groups, businesses, industries, and governmental agencies.

The Water Quality Program develops strategies to prevent, protect, and remediate areas from pollution so as to maintain or improve water quality. The program protects human health and biological integrity through watershed, drinking water, groundwater, waste water, and grant and loan activities.

The Coeur d'Alene Basin Project Commission (Section 39-8104, Idaho Code) coordinates natural resource restoration to address heavy metal contamination caused from upstream mining operations.

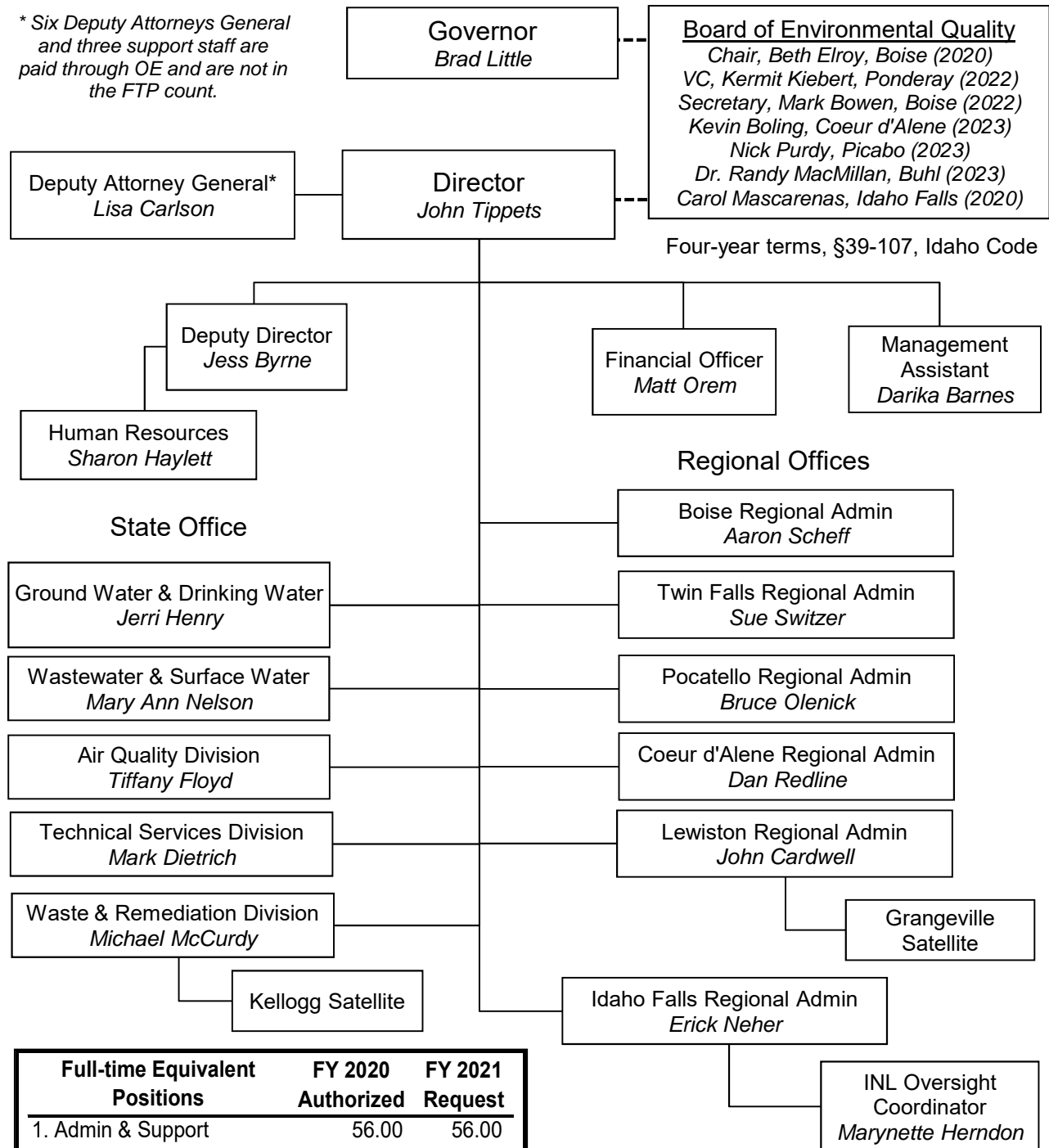
Waste Management and Remediation is responsible for ensuring that solid wastes are managed and disposed of in a manner protective of human health and the environment. The program responds to existing releases of hazardous substances and works with active mines to ensure that best management practices are followed.

The primary responsibility of the Idaho National Laboratory (INL) Oversight Program is to independently monitor INL operations and document transportation of radiological materials along transportation corridors. The objective is to protect Idaho's land, air, water, wildlife, and public health from nuclear releases.

Department of Environmental Quality Organizational Chart

Analyst: Sepich

* Six Deputy Attorneys General
and three support staff are
paid through OE and are not in
the FTP count.



Performance Measure Report: <https://dfm.idaho.gov/publications/bb/perfreport/>

- Air Quality:** DEQ ensures compliance with federal and state health-based air quality standards by collecting air quality information, monitoring, developing and issuing permits, conducting inspections at facilities, responding to complaints, and coordinating air quality improvement efforts among communities, citizen groups, businesses, industries, other state agencies, tribes, and the US Environmental Protection Agency (EPA) (Title 39, Chapter 1, Idaho Code; Clean Air Act).
- Water Quality:** DEQ protects the surface and ground waters of the state to support beneficial uses and provide safe drinking water supplies by setting water quality standards, certifying project compliance with standards, monitoring, reporting on water quality, developing and implementing improvement plans, issuing wastewater reuse and direct discharge permits, and providing grants and loans for constructing drinking water and wastewater treatment facilities (Title 39, Chapters 1, 36, 66, 76, 79, 85, Idaho Code; Title 37, Chapter 21, Idaho Code; Title 50 Chapter 13 Idaho Code; Clean Water Act).
- Waste Management and Remediation:** DEQ ensures management and disposal of waste generated in or entering Idaho is conducted in a manner protective of human health and the environment. DEQ responds to releases of hazardous substances to surface waters, ground waters, or soils and conducts, oversees, and negotiates cleanups of contaminated sites. DEQ works with communities to rehabilitate contaminated sites to return them to a safe and developable condition (Title 39, Chapters 1, 30, 44, 58, 65, 71, 72, 74, 81, 88, Idaho Code; Resource Conservation and Recovery Act; Comprehensive Environmental Response, Compensation, and Liability Act).
- INL Oversight:** DEQ oversees activities at the Idaho National Laboratory (INL) to ensure compliance with legal agreements and environmental regulations for waste treatment, remediation, and removal. DEQ maintains an independent environmental monitoring program designed to verify and supplement monitoring programs carried out by the INL. Working with other state agencies, DEQ assists local governments statewide in planning and responding to emergencies involving radiological materials. DEQ also routinely informs the public about INL activities impacting Idaho's environment (Title 39, Chapter 1, Idaho Code).

Historical Summary

OPERATING BUDGET

	FY 2019 Total App	FY 2019 Actual
BY PROGRAM		
Administration and Support	8,668,500	8,458,100
<u>Air Quality</u>	14,726,500	7,890,500
<u>Water Quality</u>	22,975,100	21,117,300
<u>CDA Basin Commission</u>	526,200	179,300
<u>Waste Mgmt and Remediation</u>	18,145,700	12,007,000
<u>INL Oversight</u>	2,169,000	1,454,300
<hr/>		
Total:	67,211,000	51,106,500
BY FUND CATEGORY		
General	20,461,700	20,383,400
Dedicated	17,808,500	8,461,200
Federal	28,940,800	22,261,900
<hr/>		
Total:	67,211,000	51,106,500
Percent Change:		(24.0%)

Part I – Agency Profile

Agency Overview

The Idaho Department of Environmental Quality (DEQ) was established by the Environmental Protection and Health Act, Chapter 1, Title 39, Idaho Code, to protect human health and the environment. As the state's environmental regulatory agency, DEQ is responsible for implementing and enforcing delegated federal programs under the Clean Air, Clean Water, Safe Drinking Water, and Resource Conservation and Recovery Acts, as well as many state environmental laws and rules. This regulatory responsibility covers a broad range of activities to ensure Idaho's air, water, land, and Idaho citizens are protected from the adverse impacts of pollution.

The Environmental Protection and Health Act also established the Board of Environmental Quality. The board is the administrative body charged with making decisions on rules proposed by the department to carry out provisions of the act and to enforce state environmental laws. DEQ drafts rules with assistance from the Office of the Attorney General following a negotiated rulemaking process involving interested stakeholders. Rules may be adopted, amended, or repealed by the board. All administrative rules adopted by the board are subject to legislative review. The board also functions as the agency's administrative appeals board. Decisions of the agency can be appealed to the board, which may choose to hear the case or designate a hearing officer. Final determinations of the board are subject to judicial review.

To protect human health and the environment, DEQ's primary activities include monitoring, permitting, conducting inspections, performing remediation, and providing a wide range of oversight, technical assistance, and outreach.

- Environmental monitoring is performed to assess conditions and ensure health-based standards are met.
- Permits are issued to facilities that manage wastes or release pollutants to limit discharges to safe levels.
- Inspections of pollution sources are conducted and complaints are investigated to ensure compliance with environmental regulations and standards. When necessary, enforcement action is taken.
- Remediation is conducted to remove or neutralize contaminants in soil, ground water, and surface waters. Compliance with remedial activities is typically voluntary, but when necessary, enforcement action is taken.
- Oversight is maintained for a variety of projects including environmental cleanups, pollution reduction efforts, and drinking water and wastewater infrastructure improvements.
- Technical support, outreach, and education are offered to facilitate compliance with environmental requirements for air quality, water quality, and waste management and remediation.

DEQ works closely and collaboratively with a wide range of public and private partners including the legislature; the Board of Environmental Quality; federal and state agencies; city, county, and tribal governments; businesses; community organizations; and citizens. These partnerships are critical to accomplishing the agency's mission.

DEQ's headquarters in Boise is organized into four divisions focused on developing and administering programs and policies, providing technical support to the divisions and regions, and providing agency-wide administrative support. The divisions include Air Quality, Water Quality, Waste Management and Remediation, and Technical Services.

Day-to-day, on-the-ground agency services are provided by six regional offices located in Boise, Coeur d'Alene, Idaho Falls, Lewiston, Pocatello, and Twin Falls. DEQ also maintains smaller satellite offices in Kellogg and Grangeville. Regional and satellite offices are charged with implementing agency programs and policies and providing direct services to citizens, communities, businesses, and industries.

Core Functions/Idaho Code

DEQ's core functions and regulatory authorities are summarized below, followed by a table detailing the department's revenues and expenditures for the past four fiscal years.

- **Air Quality:** DEQ ensures compliance with federal and state health-based air quality standards by collecting air quality information, monitoring, developing and issuing permits, conducting inspections at facilities, responding to complaints, and coordinating air quality improvement efforts among communities, citizen groups, businesses, industries, other state agencies, tribes, and the US Environmental Protection Agency (EPA) (Title 39, Chapter 1, Idaho Code; Clean Air Act).
- **Water Quality:** DEQ protects the surface and ground waters of the state to support beneficial uses and provide safe drinking water supplies by setting water quality standards, certifying project compliance with standards, monitoring, reporting on water quality, developing and implementing improvement plans, issuing wastewater reuse and direct discharge permits, and providing grants and loans for constructing drinking water and wastewater treatment facilities (Title 39, Chapters 1, 36, 66, 76, 79, 85, Idaho Code; Title 37, Chapter 21, Idaho Code; Title 50 Chapter 13 Idaho Code; Clean Water Act).
- **Waste Management and Remediation:** DEQ ensures management and disposal of waste generated in or entering Idaho is conducted in a manner protective of human health and the environment. DEQ responds to releases of hazardous substances to surface waters, ground waters, or soils and conducts, oversees, and negotiates cleanups of contaminated sites. DEQ works with communities to rehabilitate contaminated sites to return them to a safe and developable condition (Title 39, Chapters 1, 30, 44, 58, 65, 71, 72, 74, 81, 88, Idaho Code; Resource Conservation and Recovery Act; Comprehensive Environmental Response, Compensation, and Liability Act).
- **INL Oversight:** DEQ oversees activities at the Idaho National Laboratory (INL) to ensure compliance with legal agreements and environmental regulations for waste treatment, remediation, and removal. DEQ maintains an independent environmental monitoring program designed to verify and supplement monitoring programs carried out by the INL. Working with other state agencies, DEQ assists local governments statewide in planning and responding to emergencies involving radiological materials. DEQ also routinely informs the public about INL activities impacting Idaho's environment (Title 39, Chapter 1, Idaho Code).

Revenues and Expenditures

Revenue	FY 2016	FY 2017	FY 2018	FY 2019
Air Quality Permitting	\$1,009,266	\$1,110,118	\$931,006	\$1,126,068
Public Water System Oversight	\$1,585,711	\$1,627,025	\$1,651,657	\$1,620,766
Water Pollution Control	\$4,804,394	\$4,810,218	\$4,829,865	\$4,823,587
Environmental Remediation	\$1,846,547	\$1,869,668	\$1,970,968	\$2,110,912
Cooperative DEQ-Federal	\$24,645,797	\$24,536,640	\$20,838,643	\$23,280,316
Cooperative DEQ-General	\$16,449,600	\$17,908,000	\$19,621,100	\$20,751,696
Cooperative DEQ-Other	\$2,131,707	\$2,342,849	\$1,921,310	\$2,115,232
Bunker Hill Consent Decree	\$470,272	\$480,546	\$568,222	\$179,326
Underground Storage Tank Fees	---- ^a	---- ^a	---- ^a	\$196,085
Total	\$52,943,294	\$54,685,064	\$52,332,771	\$56,203,988
Expenditures	FY 2016	FY 2017	FY 2018	FY 2019
Personnel Costs	\$27,402,600	29,859,100	\$30,425,221	\$30,856,108
Operating Expenditures	\$16,405,500	13,209,200	\$12,234,514	\$13,397,042
Capital Outlay	\$450,800	640,700	\$475,410	\$542,398
Trustee/Benefit Payments	\$5,149,800	7,558,500	\$5,880,173	\$6,368,776
Total	\$49,408,700	51,267,500	\$49,015,318	\$51,164,325

a. FY 2019 is the first year DEQ has received this revenue source.

Profile of Cases Managed and/or Key Services Provided

The following table summarizes some of the key services DEQ provides to communities, businesses, industries, and the citizens of Idaho.

Cases Managed and/or Key Services Provided	FY 2016	FY 2017	FY 2018	FY 2019
Air Quality Division				
Air Quality Permits to Construct Issued	56	89	90	72
Air Quality Tier I (Title V) Permits Issued	9	15	15	18
Air Quality Tier II Permits Issued	2	1	1	1
Air Quality Permits by Rule Issued	---- ^a	---- ^a	---- ^a	26
Inspections of Stationary and Portable Air Pollution Sources	161	193	125	197
Number of Crop Residue Acres Approved and Burned	36,760	41,411	34,247	40,104
Water Quality Division				
Wastewater Grants Awarded	\$246,152	\$325,000	\$347,500	\$343,500
Wastewater Loans Awarded	\$27,876,605	\$18,305,461	\$66,972,863	\$53,423,000
Drinking Water Grants Awarded	\$293,443	\$331,172	\$398,958	\$248,935
Drinking Water Loans Awarded	\$14,985,992	\$6,165,007	\$21,015,156	\$6,058,650
401/404 Water Quality Certifications Issued	43	40	87	48
Wastewater Reuse Permits Issued	19	12	19	23 ^b
IPDES Direct Discharge Permits Issued	---- ^a	---- ^a	---- ^a	1
Total Wastewater Engineering Plan and Specification Reviews Completed	233	238	302	256
Total Drinking Water Engineering Plan and Specification Reviews Completed	315	279	296	409
Drinking Water Sanitary Surveys Completed	397	417	394	441
Source Water Assessments Completed	102	94	110	102
Active Nonpoint Source Projects Administered (Previous Calendar Year)	57	49	32	45
Nonpoint Source Projects Completed (Previous Calendar Year)	15	20	8	9
Beneficial Use Reconnaissance Program (BURP) Sites Surveyed	284	240	280	242
Waste Management and Remediation Division				
Leaking Underground Storage Tank Cleanups Completed	7	31	16	16
Underground Storage Tank Training and Inspections Completed	357	399	407	338
Hazardous Waste Inspections Conducted	93	95	102	111
Total Phosphate Mine Projects with Agreements for Remediation and/or Operations with DEQ Involvement	26	123	133	na ^b
Three-to-five-year inspections of municipal solid waste landfills completed (three are required)	---- ^a	---- ^a	---- ^a	6
Snake River Plain Environmental Samples Analyzed (for INL)	4,713	7,100	5,780	6,027
Pollution Prevention Technical Assistance Efforts	93	104	98	110

a. New key service—data are not available for FY 2016–FY 2018.

b. This key service will no longer be tracked.

Red Tape Reduction Act

To adhere to the Red Tape Reduction Act, DEQ reduced the following chapters, words, and restrictive language. A summary for each division's progress is provided below.

	As of July 1, 2019
Number of Chapters	24
Number of Words	414,640
Number of Restrictions	6,809

Air Quality—The Air Quality Division proposed removing some sections of code: IDAPA 58.01.01.590–591, 845–848, and 855–859 (Docket No. 58-0101-1903). Negotiated rulemaking for this docket concluded, and the proposed rule was published in the August 2019 bulletin.

Water Quality—The Water Quality Division initiated negotiated rulemaking to combine the four rule chapters for wastewater and drinking water facility grants and loans into two chapters (Docket Nos. 58-0104-1901, 58-0112-1901, 58-0120-1901, and 58-0122-1901). Through simplification and consolidation, the two facility planning grant rule chapters will become a single chapter, and the two revolving loan rule chapters will become a single chapter. A negotiated rulemaking meeting is scheduled for August 27. The dockets will be introduced in the 2021 legislative session.

Waste Management and Remediation—The WMR Division has not completed rule revisions that incorporate Red Tape Reduction Act requirements. WMR is currently working on two dockets: 58-0106-1901 (Solid Waste Management Rules) and 58-0113-1901 (Rules for Ore Processing by Cyanidation). Both dockets will be introduced in the 2021 legislative session.

FY 2019 Performance Highlights

Air Quality—In 2016, Volkswagen agreed to settle a lawsuit alleging it manufactured diesel cars sold and operated with systems intended to defeat emission tests. As a Volkswagen Settlement Beneficiary, the State of Idaho is eligible to request \$17.3 million dollars from the Volkswagen Settlement Fund for projects under Eligible Mitigation Actions, which include a vehicle replacement program and an electric vehicle supply equipment program. Through the VW Trust, DEQ has \$8 million dollars in settlement funding to award requests for 132 diesel vehicle replacements. DEQ also approved one application for funding toward two electric vehicle-charging stations and has another application under review. DEQ works closely with the Office of Energy and Mineral Resources on the electric vehicle supply equipment portion of the settlement. We anticipate an additional funding opportunity at the end of this year.

Water Quality—The source water protection program conducted four regional training workshops in April 2019 to provide information on how source water protection can be integrated into asset management and the tools and resources available to assist with developing source water protection plans, emergency response plans, and funding source water protection projects. Across all regions, over 190 people attended the workshops.

In partnership with EPA and the Rural Community Assistance Corporation, DEQ conducted the Cyanotoxins in Drinking Water: Protection and Response workshop. This workshop focused on increasing the participants' understanding of cyanotoxins and their impacts to public drinking water, enable public water system operators and communities to better protect source water from the threat of cyanotoxins, and learn to respond appropriately to a cyanotoxin detection in finished drinking water.

Waste Management and Remediation—The Hazardous Waste Program held a lean kaizen event in Boise on October 1–5, 2018, to evaluate the hazardous waste inspection process. The objectives were to reduce the number of steps required to conduct inspections and issue inspection reports, improve the quality of inspection reports, increase compliance rates of inspected facilities, increase customer interaction and satisfaction, and increase inspector retention and job satisfaction. The event identified opportunities for improvement and solutions to reduce the number of steps in the process from 74 to 55. The changes are currently being implemented.

Part II – Performance Measures

DEQ's target performance measures are used to track and report progress in meeting the overall agency goal of protecting public health and the environment. These targets were chosen because each tracks measurable agency actions and reflects an actual environmental or public health outcome or result. Each performance measure is revisited annually through the strategic planning process to ensure its continued relevance.

Goals and Performance Measures

In our first year with new performance measures, goals, and objectives, we successfully completed several objectives that improved air quality, prioritized impaired waters, and identified new, existing contaminated sites. As a result, the Air Quality, Water Quality, and Waste Management and Remediation Divisions developed new performance measures and objectives for the next fiscal year. Actual measured results may not be available for 2016–2019 because data were limited, not tracked, or did not exist. FY 2020 targets are provided in the Goals and Performance Measures table.

Performance Measure 1—The target of zero days is based on 25 days in unhealthy range in FY 2018. This performance measure is determined by any single air monitor reaching unhealthy, which is identified as *red* on the Air Quality Index (AQI) scale. If multiple air monitors reach unhealthy air quality levels on the same day, it still counts as 1 day. A vast majority of measured unhealthy days can result from exceptional events such as wildfire and dust.

Performance Measure 2—Derived from DEQ's 2016 Integrated Report, this performance measure compares the number of river and stream miles that support beneficial uses to the number of assessed river and stream miles.

Performance Measure 3—The target of 213 sites is a 10% reduction in the current 237 open contaminated sites (2,770 total known contaminated sites). This performance measure includes leaking underground storage tanks and general remediation sites. Contaminated site closure is complete when contaminant concentrations meet acceptable risk-based or other approved criteria through assessment or remediation activities. This performance measure excludes sites under the Comprehensive Environmental Response, Compensation, and Liability Act (Superfund), including mega sites, such as the Idaho National Laboratory and Bunker Hill, Department of Defense cleanup sites, hazardous waste sites, and solid waste facilities.

Performance Measure 4—This performance measure is based on wastewater reuse applications, IPDES applications, drinking water and wastewater plan and specification submittals, air quality permit applications, and hazardous waste permit applications.

Performance Measure 5—This performance measure is based on 5-year averages across programs. Each program measures compliance differently. IPDES is excluded this year because the program does not have a full year of data to report. Annual updates will be made to the benchmark.

Performance Measure 6—This performance measure includes air quality permits to construct, wastewater reuse and IPDES permits, and hazardous waste permits. With startup of the IPDES Program, DEQ will inherit a permit backlog that will require 1-to-2 permit cycles (5–10 years) to meet the national goal of 90% current permits.

Performance Measure 7—Continuous improvement is a long-term approach to systematically target and incrementally change processes to improve efficiency and quality within the agency. Using the kaizen philosophy and a lean process focus, DEQ will examine our processes in detail and determine output improvements. All staff are encouraged to suggest and implement changes that create continuous improvement within the regions and across the agency.

Goals and Performance Measures						
Performance Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Goal 1						
<i>Make recognizable and measurable environmental improvements</i>						
1. Reduce number of unhealthy days based on the Air Quality Index (AQI) throughout the state	actual	-----	-----	25 days	11 days	-----
	target	n/a ^a	n/a ^a	n/a ^a	0 days	0 days
2. Increase the percentage of assessed rivers and streams supporting beneficial uses	actual	-----	-----	33%	33%	-----
	target	n/a ^a	n/a ^a	n/a ^a	35%	35%
3. Reduce the number of known contaminated sites	actual	-----	-----	275 sites	237 sites	-----
	target	n/a ^a	n/a ^a	n/a ^a	247 sites	213 sites
Goal 2						
<i>Provide first-class customer service as a trusted source for environmental leadership</i>						
4. Increase the percentage of complete permit applications and facility plan and specification submittal packages on initial submittal	actual	-----	-----	46%	71%	-----
	target	n/a ^a	n/a ^a	n/a ^a	82%	82%
5. Increase the compliance rate of inspected facilities	actual	-----	-----	73%	82% ^b	-----
	target	n/a ^a	n/a ^a	n/a ^a	82%	82%
Goal 3						
<i>Foster a culture of continuous improvement</i>						
6. Increase the percentage of permits issued before deadline	actual	-----	-----	67%	88%	-----
	target	n/a ^a	n/a ^a	n/a ^a	81%	81%
7. Conduct one kaizen each year/Conduct 50 lean improvement projects per year ^c	actual	-----	-----	-----	2 events ^c	-----
	target	n/a ^a	n/a ^a	n/a ^a	1 event	50 projects

a. In 2018, DEQ developed all new goals and performance measures, and data are not available.

b. IPDES is excluded this year because the program does not have a full year of data to report.

c. In 2019, under the performance measure, conduct one kaizen each year, two events were achieved: (1) source water update kaizen and (2) hazardous waste compliance/inspection kaizen. Because this performance measure was achieved in 2019, a new performance measure was developed for 2020—50 lean improvement projects per year.

Performance Analysis—Over past fiscal years, DEQ has met or exceeded a majority of its performance measurement targets. In the coming year, DEQ will continue to make action-based progress with updated performance measures and objectives. Along with meeting new performance measures, DEQ is faced with the additional challenges as described below:

Air Quality—In its strategic plan, DEQ identified a measure to reduce the number of unhealthy air quality days, as noted above, based on the AQI scale. In FY 2019, DEQ reported 11 days in the unhealthy range of which 10 days were a result of wildfires and are noted as exceptional events in DEQ's database.

Water Quality Grants and Loans—Each year the goals for State Revolving Fund loans and State Planning grants are set based upon interest expressed by Idaho communities. During the course of the fiscal year, communities will sometimes change their plans for funding, by either pursuing a different funding option or by not moving forward with their plans. When communities change their plans, the DEQ Loans and Grants Program makes every effort to commit the financial resources to a new funding applicant.

Waste Management and Remediation—Multiple programs within the division are challenged to develop timely outreach materials and to conduct outreach activities (e.g., workshops) to improve compliance rates of regulated facilities and improve permit submittals.

For more information contact:

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Environmental Quality, Department of

Analyst: Sepich

FY 2019 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2019 Original Appropriation								
	0225-03	Gen	162.95	15,530,700	3,251,100	316,800	1,363,100	0	20,461,700
	0150-01	Ded	0.00	0	0	0	290,000	0	290,000
	0186-00	Ded	19.80	1,488,900	181,300	13,200	40,000	0	1,723,400
	0191-00	Ded	18.60	1,478,700	557,100	4,900	0	0	2,040,700
	0200-00	Ded	5.50	730,700	555,800	1,600	158,200	0	1,446,300
	0201-01	Ded	0.50	30,100	76,600	0	150,500	0	257,200
	0201-02	Ded	4.25	337,000	383,600	0	0	0	720,600
	0225-05	Ded	22.70	1,887,900	7,461,100	6,500	103,400	0	9,458,900
	0226-00	Ded	4.00	286,300	54,200	0	0	0	340,500
	0511-00	Ded	0.45	47,600	932,400	0	300,000	0	1,280,000
	0225-02	Fed	147.25	11,864,600	11,272,100	217,100	5,587,000	0	28,940,800
	Totals:		386.00	33,682,500	24,725,300	560,100	7,992,200	0	66,960,100
0.41	Prior Year Reappropriation								
	0225-05	Ded	0.00	0	0	0	250,900	0	250,900
	Totals:		0.00	0	0	0	250,900	0	250,900
1.00	FY 2019 Total Appropriation								
	0225-03	Gen	162.95	15,530,700	3,251,100	316,800	1,363,100	0	20,461,700
	0150-01	Ded	0.00	0	0	0	290,000	0	290,000
	0186-00	Ded	19.80	1,488,900	181,300	13,200	40,000	0	1,723,400
	0191-00	Ded	18.60	1,478,700	557,100	4,900	0	0	2,040,700
	0200-00	Ded	5.50	730,700	555,800	1,600	158,200	0	1,446,300
	0201-01	Ded	0.50	30,100	76,600	0	150,500	0	257,200
	0201-02	Ded	4.25	337,000	383,600	0	0	0	720,600
	0225-05	Ded	22.70	1,887,900	7,461,100	6,500	354,300	0	9,709,800
	0226-00	Ded	4.00	286,300	54,200	0	0	0	340,500
	0511-00	Ded	0.45	47,600	932,400	0	300,000	0	1,280,000
	0225-02	Fed	147.25	11,864,600	11,272,100	217,100	5,587,000	0	28,940,800
	Totals:		386.00	33,682,500	24,725,300	560,100	8,243,100	0	67,211,000
1.21	Net Object Transfer								
	0225-03	Gen	0.00	(833,200)	1,405,300	46,900	(619,000)	0	0
	0191-00	Ded	0.00	(12,000)	10,400	1,600	0	0	0
	0200-00	Ded	0.00	(49,000)	21,000	28,000	0	0	0
	0201-02	Ded	0.00	0	(185,000)	0	185,000	0	0
	0225-05	Ded	0.00	(400)	(364,600)	7,000	358,000	0	0
	0226-00	Ded	0.00	(12,000)	12,000	0	0	0	0
	0225-02	Fed	0.00	5,600	(410,500)	84,300	320,600	0	0
	Totals:		0.00	(901,000)	488,600	167,800	244,600	0	0
1.31	Net Transfer Between Programs								
	0225-03	Gen	0.00	0	0	0	0	0	0
	0191-00	Ded	0.00	0	0	0	0	0	0
	0200-00	Ded	0.00	0	0	0	0	0	0
	0225-05	Ded	0.00	0	0	0	0	0	0
	0225-02	Fed	0.00	0	0	0	0	0	0
	Totals:		0.00	0	0	0	0	0	0

Environmental Quality, Department of

Analyst: Sepich

FY 2019 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
1.41	Receipt to Appropriation								
0225-05	Ded		0.00	0	0	10,400	0	0	10,400
Totals:			0.00	0	0	10,400	0	0	10,400
1.61	Reverted Appropriation								
0225-03	Gen		0.00	0	0	0	(78,300)	0	(78,300)
0186-00	Ded		0.00	(772,000)	(53,400)	(7,700)	(28,600)	0	(861,700)
0191-00	Ded		0.00	(1,600)	(38,700)	(1,700)	0	0	(42,000)
0200-00	Ded		0.00	(303,900)	(182,000)	(600)	(124,300)	0	(610,800)
0201-01	Ded		0.00	(400)	(57,000)	0	(78,800)	0	(136,200)
0201-02	Ded		0.00	(223,900)	(156,900)	0	(33,100)	0	(413,900)
0225-05	Ded		0.00	(236,400)	(5,969,600)	(5,700)	(49,400)	0	(6,261,100)
0226-00	Ded		0.00	(78,900)	(24,700)	0	0	0	(103,600)
0511-00	Ded		0.00	(39,200)	(433,400)	0	(155,800)	0	(628,400)
0225-02	Fed		0.00	(269,000)	(5,160,100)	(90,800)	(1,159,000)	0	(6,678,900)
Totals:			0.00	(1,925,300)	(12,075,800)	(106,500)	(1,707,300)	0	(15,814,900)
1.71	Current Year Reappropriation								
0225-05	Ded		0.00	0	0	0	(300,000)	0	(300,000)
Totals:			0.00	0	0	0	(300,000)	0	(300,000)

Environmental Quality, Department of

Analyst: Sepich

FY 2019 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
2.00	FY 2019 Actual Expenditures								
	0225-03	Gen	162.95	14,697,500	4,656,400	363,700	665,800	0	20,383,400
	Department of Environmental Quality (General)			14,697,500	4,656,400	363,700	665,800	0	20,383,400
	0150-01	Ded	0.00	0	0	0	290,000	0	290,000
	Economic Recovery Reserve			0	0	0	290,000	0	290,000
	0186-00	Ded	19.80	716,900	127,900	5,500	11,400	0	861,700
	Air Quality Permitting			716,900	127,900	5,500	11,400	0	861,700
	0191-00	Ded	18.60	1,465,100	528,800	4,800	0	0	1,998,700
	Public Water System Supervision			1,465,100	528,800	4,800	0	0	1,998,700
	0200-00	Ded	5.50	377,800	394,800	29,000	33,900	0	835,500
	Water Pollution Control			377,800	394,800	29,000	33,900	0	835,500
	0201-01	Ded	0.50	29,700	19,600	0	71,700	0	121,000
	Environmental Remediation (Box)			29,700	19,600	0	71,700	0	121,000
	0201-02	Ded	4.25	113,100	41,700	0	151,900	0	306,700
	Environmental Remediation (Basin)			113,100	41,700	0	151,900	0	306,700
	0225-05	Ded	22.70	1,651,100	1,126,900	18,200	362,900	0	3,159,100
	Department of Environmental Quality (Receipts)			1,651,100	1,126,900	18,200	362,900	0	3,159,100
	0226-00	Ded	4.00	195,400	41,500	0	0	0	236,900
	Idaho Underground Storage Tank Program			195,400	41,500	0	0	0	236,900
	0511-00	Ded	0.45	8,400	499,000	0	144,200	0	651,600
	Bunker Hill Trust			8,400	499,000	0	144,200	0	651,600
	0225-02	Fed	147.25	11,601,200	5,701,500	210,600	4,748,600	0	22,261,900
	Department of Environmental Quality (Federal)			11,601,200	5,701,500	210,600	4,748,600	0	22,261,900
Totals:			386.00	30,856,200	13,138,100	631,800	6,480,400	0	51,106,500

Environmental Quality, Department of

Analyst: Sepich

FY 2019 Actual Expenditures by Division

	FTP	PC	OE	CO	T/B	LS	Total
Difference: Actual Expenditures minus Total Appropriation							
0225-03 Gen		(833,200)	1,405,300	46,900	(697,300)	0	(78,300)
Department of Environmental Quality (General)		(5.4%)	43.2%	14.8%	(51.2%)	N/A	(0.4%)
0150-01 Ded		0	0	0	0	0	0
Economic Recovery Reserve		N/A	N/A	N/A	0.0%	N/A	0.0%
0186-00 Ded		(772,000)	(53,400)	(7,700)	(28,600)	0	(861,700)
Air Quality Permitting		(51.9%)	(29.5%)	(58.3%)	(71.5%)	N/A	(50.0%)
0191-00 Ded		(13,600)	(28,300)	(100)	0	0	(42,000)
Public Water System Supervision		(0.9%)	(5.1%)	(2.0%)	N/A	N/A	(2.1%)
0200-00 Ded		(352,900)	(161,000)	27,400	(124,300)	0	(610,800)
Water Pollution Control		(48.3%)	(29.0%)	1712.5%	(78.6%)	N/A	(42.2%)
0201-01 Ded		(400)	(57,000)	0	(78,800)	0	(136,200)
Environmental Remediation (Box)		(1.3%)	(74.4%)	N/A	(52.4%)	N/A	(53.0%)
0201-02 Ded		(223,900)	(341,900)	0	151,900	0	(413,900)
Environmental Remediation (Basin)		(66.4%)	(89.1%)	N/A	N/A	N/A	(57.4%)
0225-05 Ded		(236,800)	(6,334,200)	11,700	8,600	0	(6,550,700)
Department of Environmental Quality (Receipts)		(12.5%)	(84.9%)	180.0%	2.4%	N/A	(67.5%)
0226-00 Ded		(90,900)	(12,700)	0	0	0	(103,600)
Idaho Underground Storage Tank Program		(31.7%)	(23.4%)	N/A	N/A	N/A	(30.4%)
0511-00 Ded		(39,200)	(433,400)	0	(155,800)	0	(628,400)
Bunker Hill Trust		(82.4%)	(46.5%)	N/A	(51.9%)	N/A	(49.1%)
0225-02 Fed		(263,400)	(5,570,600)	(6,500)	(838,400)	0	(6,678,900)
Department of Environmental Quality (Federal)		(2.2%)	(49.4%)	(3.0%)	(15.0%)	N/A	(23.1%)
Difference From Total Approp		(2,826,300)	(11,587,200)	71,700	(1,762,700)	0	(16,104,500)
Percent Diff From Total Approp		(8.4%)	(46.9%)	12.8%	(21.4%)	N/A	(24.0%)

Department of Environmental Quality

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2020 Original Appropriation	389.00	22,576,600	68,415,600	389.00	22,576,600	68,415,600
Reappropriation	0.00	0	300,000	0.00	0	300,000
1. Federal to Box Fund Shift	0.00	0	0	0.00	0	0
Sick Leave Rate Reduction	0.00	0	0	0.00	(38,800)	(81,500)
1% Onetime General Fund Reduction	0.00	0	0	0.00	(220,600)	(220,600)
FY 2020 Total Appropriation	389.00	22,576,600	68,715,600	389.00	22,317,200	68,413,500
Removal of Onetime Expenditures	0.00	(531,900)	(1,337,100)	0.00	(427,300)	(1,232,400)
Base Adjustments	0.00	0	(5,018,600)	0.00	0	(5,018,600)
Restore Ongoing Rescissions	0.00	0	0	0.00	154,800	197,400
FY 2021 Base	389.00	22,044,700	62,359,900	389.00	22,044,700	62,359,900
Benefit Costs	0.00	513,300	875,400	0.00	(41,300)	(135,100)
Inflationary Adjustments	0.00	204,300	204,300	0.00	204,300	204,300
Replacement Items	0.00	35,000	103,200	0.00	35,000	103,200
Statewide Cost Allocation	0.00	(37,300)	(19,500)	0.00	(37,300)	(19,500)
Change in Employee Compensation	0.00	168,400	305,500	0.00	332,300	593,700
FY 2021 Program Maintenance	389.00	22,928,400	63,828,800	389.00	22,537,700	63,106,500
1. Final BURP & LMP Fund Shift	0.00	103,100	0	0.00	102,600	0
2. Title V Fee Replacement	0.00	283,000	0	0.00	281,500	0
3. Bunker Hill Treatment Plant	0.00	0	500,000	0.00	0	500,000
4. Triumph Mine Remediation	0.00	0	407,500	0.00	0	407,500
5. Coeur d'Alene Restoration Partnership	0.00	0	2,000,000	0.00	0	2,000,000
6. IPDES Shift to Dedicated	0.00	(570,600)	0	0.00	(567,100)	0
7. Cash Transfer WPCF to Env Remed	0.00	0	1,500,000	0.00	0	1,500,000
8. Environmental Remediation Match	0.00	0	0	0.00	0	0
9. Personnel Appropriation Allocation	0.00	0	0	0.00	0	0
10. Small & Disadvantaged Comm. Grant	0.00	0	763,700	0.00	0	763,700
OITS 1 – Operating Costs	0.00	0	0	0.00	5,200	5,200
OITS 2 – Servers and Licensing	0.00	0	0	0.00	177,800	177,800
OITS 3 – Agency Tech Consolidation, Phase II	0.00	0	0	(15.00)	(50,200)	(84,600)
OITS 4 – Agency Billings	0.00	0	0	0.00	200	200
Cash Transfers	0.00	0	(1,500,000)	0.00	0	(1,500,000)
Budget Law Exemptions	0.00	0	0	0.00	(441,200)	(441,200)
FY 2021 Total	389.00	22,743,900	67,500,000	374.00	22,046,500	66,435,100
Change from Original Appropriation	0.00	167,300	(915,600)	(15.00)	(530,100)	(1,980,500)
% Change from Original Appropriation		0.7%	(1.3%)		(2.3%)	(2.9%)

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Original Appropriation					
The Legislature funded seven line items for FY 2020: These included 3.00 FTP and \$757,300 for the Idaho Pollution Discharge Elimination System; a \$1.5 million cash transfer from the Water Pollution Control Fund to the Triumph Mine Fund; a reduction of \$1,345,300 from the Water Pollution Control Fund and an increase of \$1,050,400 in the General Fund to shift expenses associated with Beneficial Use Reconnaissance Program and the Lakes Management Program off of dedicated funds; a reduction of \$100,000 from federal funds, and shift of \$100,000 in dedicated appropriation from operating expenditures to personnel costs for the Coeur d'Alene Basin Superfund Site; \$50,100 for a boat and trailer; \$167,200 from the General Fund to collect data on naturally occurring arsenic in waterways; and \$340,000 for remediation costs at the Triumph Mine.					
	389.00	22,576,600	16,953,700	28,885,300	68,415,600

Reappropriation

Water Quality

The department was authorized through H268 of 2019 to reappropriate and carryover up to \$300,000 of any unencumbered and unexpended General Fund appropriation balance for Agricultural Best Management Practices from FY 2019 into FY 2020. Carryover required legislative approval, and is removed as a onetime expenditure before calculating the next year's base. While the funding was originally appropriated from the General Fund, it was transferred to the department's dedicated fund to be expended in FY 2019. This reappropriation shows the funding as part of the dedicated fund for tracking purposes and for reconciling total statewide General Fund expenditures, although the General Fund is still the source of funding.

Agency Request	0.00	0	300,000	0	300,000
Governor's Recommendation	0.00	0	300,000	0	300,000

1. Federal to Box Fund Shift

Waste Management and Remediation

The department requests a shift of \$120,000 from federal funds to the Environmental Remediation (Box) Fund to allow the department to meet the mandatory 10% match requirements for operation and maintenance costs associated with the Bunker Hill Superfund Site. The department anticipates that if this fund shift is not approved, they will have difficulty meeting the mandatory 10% match requirement established under the Comprehensive Environmental Response, Compensation, and Liability Act. Staff in the Kellogg office would be supported on dedicated funds as the federal funds continue to decline.

Agency Request	0.00	0	120,000	(120,000)	0
Governor's Recommendation	0.00	0	120,000	(120,000)	0

Sick Leave Rate Reduction

Agency Request	0.00	0	0	0	0
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The Governor recommends a six-month reduction of funding for employers who contribute to the PERSI-managed sick leave plan. This reduction will begin to draw down the reserve balance, which has grown significantly during the past several years.

Governor's Recommendation	0.00	(38,800)	(17,400)	(25,300)	(81,500)
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1% Onetime General Fund Reduction

Agency Request	0.00	0	0	0	0
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The Governor recommends a onetime 1% General Fund rescission.

Governor's Recommendation	0.00	(220,600)	0	0	(220,600)
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FY 2020 Total Appropriation

Agency Request	389.00	22,576,600	17,373,700	28,765,300	68,715,600
Governor's Recommendation	389.00	22,317,200	17,356,300	28,740,000	68,413,500

Removal of Onetime Expenditures

This adjustment removes amounts for replacement items, legislative carryover, and line items funded on a onetime basis in FY 2020.

Agency Request	0.00	(531,900)	(656,800)	(148,400)	(1,337,100)
Governor's Recommendation	0.00	(427,300)	(656,700)	(148,400)	(1,232,400)

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Base Adjustments					
<p>The department requests a base reduction of \$5 million of the \$5.5 million that was appropriated in FY 2019 for the Volkswagen settlement. The trustee of the Volkswagen settlement agreement provided an option where the recipients of the projects can be reimbursed directly from the trustee, rather than have all payments go directly through the department. The department requests \$500,000 be retained in operating expenditures as it anticipates the potential need to expend funds for projects that are not reimbursed directly to the recipients, or when DEQ is the recipient of grants that it has applied for. Additionally, a base reduction of \$18,600 from the Water Pollution Control Fund is requested, as CEC and health cost increases were incorrectly attributed to this fund. Also included are multiple net-zero transfers between budgeted programs to realign federal funds and the Department of Environmental Quality (Receipts) Fund as part of a department-wide attempt to realign the budget with historical actual expenditures. Annually, the department requests numerous transfers of appropriation between programs and object classes at year-end from the Division of Financial Management and the Board of Examiners. In an effort to reduce the use of year-end transfers, the department requests the following transfers to more closely align base spending: \$850,000 in operating expenditures and \$470,000 in trustee and benefit payments from the Department of Environmental Quality (Receipts) Fund from the Waste Management and Remediation Program to the Water Quality Program; and a transfer of \$1.2 million of federal fund operating expenditures sourced from both the Coeur d'Alene Basin Commission Program (\$253,400) and the Waste Management and Remediation Program (\$946,600) to the Air Quality Program. The department anticipates further adjustments in future budget requests as necessary to closer align the base budget and expenditures.</p>					
Agency Request	0.00	0	(5,018,600)	0	(5,018,600)
Governor's Recommendation	0.00	0	(5,018,600)	0	(5,018,600)
Restore Ongoing Rescissions					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends restoration of the 1% General Fund rescission and sick leave rate reduction.</i>					
Governor's Recommendation	0.00	154,800	17,300	25,300	197,400
FY 2021 Base					
Agency Request	389.00	22,044,700	11,698,300	28,616,900	62,359,900
Governor's Recommendation	389.00	22,044,700	11,698,300	28,616,900	62,359,900
Benefit Costs					
<p>Employer-paid benefit changes include an 18.9% increase (or \$2,200 per eligible FTP) for health insurance, bringing the total appropriation to \$13,850 per FTP. Also included are a one-year elimination of the unemployment insurance rate, a restoration of the Division of Human Resources rate, and adjustments to workers' compensation that vary by agency. Also included are fund shifts totaling \$91,900 that shifted from federal funds to the General Fund for federal grants that are unable to absorb the increases.</p>					
Agency Request	0.00	513,300	156,900	205,200	875,400
<i>The Governor recommends no increase for health insurance due to fewer claims than expected and changes to federal tax policies; a one-year elimination of the sick leave rate and the unemployment insurance rate; restoration of the Division of Human Resources rate; and adjustments for workers' compensation rates. The total includes a shift of \$24,500 from federal funds to the General Fund for federal grants that are unable to absorb the increases.</i>					
Governor's Recommendation	0.00	(41,300)	(22,600)	(71,200)	(135,100)
Inflationary Adjustments					
<p>Inflationary adjustments include a total of \$204,300 from the General Fund for increases in rent at various offices around the state. Five leases will increase on average 11.62% for FY 2021: 1) the Boise headquarters lease of 66,900 square feet is increasing \$174,400, or 18.5%; 2) the Boise regional office lease of 10,700 square feet is increasing \$1,500, or 1%; 3) the Coeur d'Alene regional office lease of 12,700 square feet is increasing \$14,100, or 6.1%; 4) the Idaho Falls regional office lease of 15,500 square feet is increasing \$7,700, or 3.5%; and 5) the Pocatello regional office lease of 13,700 square feet is increasing \$6,600, or 3%.</p>					
Agency Request	0.00	204,300	0	0	204,300
Governor's Recommendation	0.00	204,300	0	0	204,300

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
Replacement items include a total of \$103,200 for computers, air quality monitoring equipment, electroshocking equipment, and water quality monitoring equipment.					
Agency Request	0.00	35,000	59,000	9,200	103,200
Governor's Recommendation	0.00	35,000	59,000	9,200	103,200

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$51,800, risk management costs will increase by \$1,200, State Controller fees will increase by \$30,900, and State Treasurer fees will increase by \$200, for a net reduction of \$19,500.

Agency Request	0.00	(37,300)	4,500	13,300	(19,500)
Governor's Recommendation	0.00	(37,300)	4,500	13,300	(19,500)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. Also included are fund shifts that move \$22,600 from federal funds to the General Fund for federal grants that are unable to absorb the increases.

Agency Request	0.00	168,400	56,700	80,400	305,500
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The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor also recommends the pay structure for state employees be moved by 3% and includes \$3,400 for that purpose. The total includes a shift of \$50,400 from federal funds to the General Fund for federal grants that are unable to absorb the increases.

Governor's Recommendation	0.00	332,300	110,400	151,000	593,700
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FY 2021 Program Maintenance

Agency Request	389.00	22,928,400	11,975,400	28,925,000	63,828,800
Governor's Recommendation	389.00	22,537,700	11,849,600	28,719,200	63,106,500

1. Final BURP & LMP Fund Shift

Administration and Support Services

The department requests a fund shift of 1.00 FTP and \$103,100 from the Water Pollution Control Fund (WPCF) to the General Fund as the final adjustment to move funding for the Beneficial Use Reconnaissance Program (BURP) and the Coeur d'Alene Lake Management Plan (LMP). Due to increased usage on the WPCF, in FY 2020 the department was authorized a fund shift of \$1,034,900 to the General Fund. The position was left on the WPCF for FY 2020 to ensure that the Administration and Support Services Program had the proper appropriation to administer programs that source funding from the WPCF. The WPCF annually receives \$4.8 million from the state sales tax, which is its primary source of revenue. This fund's main use is as a 20% match to federal capitalization grants through State Revolving Fund (SRF) Programs such as the Drinking Water SRF (\$2.3 million) and the Clean Water SRF (\$1.6 million). It also currently provides for the Bunker Hill Remediation match as an annual \$1.5 million transfer. This line item would remove all remaining ongoing appropriation from the WPCF. The department anticipates that there will not be any issues continuing the shift off of the WPCF, however going forward some onetime line items or replacement items may be requested out of this fund as appropriate.

Agency Request	0.00	103,100	(103,100)	0	0
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	0.00	102,600	(102,600)	0	0
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Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Title V Fee Replacement

Administration and Support Services, Air Quality

The department requests a shift of \$283,000 and 3.00 FTP from federal funds to the General Fund to compensate for the loss of a \$500,000 federal grant that had supported the Title V Permitting Program pursuant to the Clean Air Act (CAA). This request is split, with 1.00 FTP and \$80,400 in the Administration and Support Services Program, and 2.00 FTP and \$202,600 in the Air Quality Program. Since the inception of the Title V program, a grant from the Idaho National Laboratory (INL), through the Department of Energy (DOE), paid \$500,000, or roughly a third of the costs for the entire Air Quality program. INL's emissions are now below the Title V threshold, and it is no longer responsible for paying permitting fees that once subsidized state funding and other industrial permit fees. While permit oversight and administration costs will decrease at the INL facility due to lower emissions, the department's analysis suggests that these cost savings will not offset the loss of grant funding. Major industrial sources of air pollution are required to have a Title V operating permit and pay ongoing annual fees to cover direct and indirect costs associated with the Title V permitting program. DEQ began negotiated rulemaking to adjust the Title V fee structure to compensate for the lost grant, and during these discussions Idaho industry asked DEQ to review whether some of the costs historically covered by Title V fees could legally be funded by another source. DEQ determined certain administrative costs, while necessary to administer the Air Quality Program in Idaho, need not be legally funded only by the Title V permitting fees. Title V facilities, excluding DOE's \$500,000, under the current fee structure pay into the program on average \$1,143,100 per year. The total expenditures including both direct and indirect costs of the program account for an average of \$1.5 million per year. Of that \$1.5 million per year, DEQ determined \$283,000 of administrative costs could legally be funded by a source other than Title V permitting fees. Of the \$283,000, \$195,800 is for salaries, \$82,000 is for benefits, and \$4,500 is in operating expenditures for travel and training. The department has approximately 12.00 FTP and \$1.3 million in dedicated personnel funding including indirect costs for administering Title V permitting actions and \$200,000 in operating expenditures. The department anticipates that there may be a need to enter additional negotiated rulemaking to determine an equitable fee distribution between the 41 air pollution emitters in the state. The department is required by the CAA to meet a Maintenance of Effort, where the state must maintain a level of funding for this program, or potentially lose federal funding.

Agency Request	0.00	283,000	0	(283,000)	0
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.00	281,500	0	(281,500)	0

3. Bunker Hill Treatment Plant

Waste Management and Remediation

The department requests a onetime appropriation of \$500,000 from the Bunker Hill Trust Fund to fund operations and maintenance costs associated with the newly updated Central Treatment Plant (CTP) in Kellogg. The department will assume control of operations of the CTP from the Environmental Protection Administration (EPA) on June 1, 2021. The requested funding includes operations for one month and contracted staff for six months during the transition period to allow for training. Water from the mine has been collected and treated by the EPA since mining operations at the Bunker Hill Mine stopped in 1983. The CTP is intended to treat contaminated mine water and groundwater collected at the Central Impoundment Area (CIA). The collection and treatment of water at the CIA will be a newly implemented action, beginning in late 2019. Without treatment, the contaminated water pollutes the South Fork of the Coeur d'Alene River and becomes a human health and ecological risk due to the presence of lead, zinc, arsenic, and cadmium. The additional treatment of the groundwater and the upgraded plant technology is expected to improve water quality. Funding for future CTP operations were established as part of a 2011 settlement with Hecla Mining Company when funds were placed in a court registry account. In 2014, the department, EPA, and Coeur d'Alene Tribe signed a memorandum of agreement (MOA) that established the Bunker Hill Water Treatment Endowment Fund, managed by the Idaho Endowment Fund Investment Board. The total funds needed to operate the CTP in FY 2022 are estimated at \$2.1 million annually, based on estimates from contractors and historical costs. Per the MOA, the CTP will need to be operated and maintained in perpetuity, although DEQ is only responsible if moneys are available in the Bunker Hill Endowment Fund. The value of the fund as of June 30, 2019 was \$71,352,300.

Agency Request	0.00	0	500,000	0	500,000
Governor's Recommendation	0.00	0	500,000	0	500,000

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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4. Triumph Mine Remediation

Waste Management and Remediation

The department requests \$64,000 in personnel costs and \$343,500 in operating expenditures for a total onetime appropriation from the Environmental Remediation (Triumph Mine) Fund of \$407,500 to construct a mine water discharge basin, monitoring and inspections, and the design of tunnel closure alternatives required under the 2018 settlement agreement with the Idaho Conservation League (ICL). In FY 2020, \$1.5 million was transferred to build a balance in the Environmental Remediation (Triumph Mine) Fund to remove contaminants, maintain operations, and inspect the Triumph Mine property. The original remediation actions began in 1998 and finished in 2004, including removing contaminated soil and tailings, installation of a plug 1,175 feet inside the mine to prevent discharge of mine-contaminated water, piping contaminated water to settling ponds, and installing a second plug 235 feet inside the mine. After the mine owner (Asarco Mining Company) filed for bankruptcy in 2005, the remediation and continued inspections of the mine fell directly to the department and the Idaho Department of Lands. An inspection on June 12, 2018 found a collapsed tunnel wall 135 feet from the entrance, causing mine contaminated water to pool, and creating the potential for contaminants to flow approximately 500 feet to the East Fork of the Big Wood River. The FY 2020 appropriation for the Triumph Mine included \$340,000 for expenses related to ongoing operations, maintenance, monitoring, and inspection activities. Activities planned for FY 2021 include: \$196,000 for design, construction, and monitoring of the mine water discharge basin; \$56,000 for monitoring required under the 2018 Settlement Agreement with the ICL; \$27,500 for ongoing mine water monitoring, tunnel inspection, and operations; \$62,000 for tunnel closure alternatives analysis due to the complexities associated with the mine water discharge; and \$66,000 for contingency reserve.

Agency Request	0.00	0	407,500	0	407,500
Governor's Recommendation	0.00	0	407,500	0	407,500

5. Coeur d'Alene Restoration Partnership

Water Quality

The department requests an ongoing appropriation of \$2 million from dedicated funds to sponsor restoration projects in the Coeur d'Alene Basin pursuant to the Restoration Plan approved in May 2018 with a Record of Decision by the Trustee Council, made up of members and representatives from the Coeur d'Alene Tribe, the United States Department of Agriculture's Forest Service, the United States Department of the Interior's (USDOI) U.S. Fish and Wildlife Service and Bureau of Land Management, and the Idaho Departments of Fish and Game (IDFG) and Environmental Quality. The trustees plan to solicit restoration project proposals from any individual or entity through an open public process. The source of these funds are \$130 million of settlement fines held by the USDOI for restoration of natural resources and remediation hazardous wastes in the Coeur d'Alene Basin. Project proposals must be co-sponsored by at least one of the trustees for project administration, however the trustees themselves may also put forth their own project proposals. Should the Department of Environmental Quality or IDFG have project proposals that they sponsor, they will be required to have an appropriation to receive and manage funds for the project. The FY 2021 budget request for IDFG includes an ongoing request for \$650,300 in settlement moneys for similar work. The department anticipates requesting additional funding in FY 2022 and future budget requests to cover sponsored restoration projects. FY 2021 projects include several stream restoration projects ranging from \$150,000 to \$200,000, riparian improvement projects ranging from \$20,000 to \$150,000, and a conservation easement and restoration project anticipated to cost \$1.9 million.

Agency Request	0.00	0	2,000,000	0	2,000,000
Governor's Recommendation	0.00	0	2,000,000	0	2,000,000

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. IPDES Shift to Dedicated					Water Quality
<p>The department requests 7.00 FTP and \$570,600 be shifted from the General Fund to the Idaho Pollutant Discharge Elimination System (IPDES) Program Fund to utilize permitting fees that started being collected in 2019. The department has an FY 2021 Base appropriation of \$537,800 from the IPDES Program Fund, and this request will bring the total FY 2021 appropriation from dedicated fees to 10.00 FTP and \$1,108,400 to meet the goal of funding one third of the IPDES Program costs through dedicated funds. The remainder of the program is satisfied through a \$211,500 federal grant supporting 2.00 FTP, and \$1,789,100 from the General Fund supporting 16.00 FTP. Due to the offset between when the department was authorized to implement the program and the actual receipt of fees into a dedicated account, the General Fund was used to support the program for FY 2019, the first year of delegated authority.</p>					
Agency Request	0.00	(570,600)	570,600	0	0
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.00	(567,100)	567,100	0	0
7. Cash Transfer WPCF to Env Remed					Waste Management and Remediation
<p>The department requests a transfer of \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation (Basin) Fund. The department is currently building a balance in the Environmental Remediation (Basin) Fund to act as the state's 10% match for Superfund cleanup projects in the Coeur d'Alene Basin, and to pay the majority of the operations costs to maintain those projects. Through FY 2019, the Legislature had transferred \$19.5 million to the fund which, after accounting for interest and expenditures, had an FY 2019 ending balance of \$18.8 million. The objective is to transfer a total of \$45 million into the fund over a 30-year period ending in FY 2036. The Legislature started to fill this fund in FY 2006 after the Environmental Remediation (Box) Fund federal match requirement was satisfied.</p>					
Agency Request	0.00	0	1,500,000	0	1,500,000
Governor's Recommendation	0.00	0	1,500,000	0	1,500,000
8. Environmental Remediation Match					Waste Management and Remediation
<p>The department requests a shift of 1.25 FTP and \$120,000 of personnel costs in the Waste Remediation Program from federal funds to the Environmental Remediation (Box) Fund. This request will be used to fund staff salaries working on match eligible projects. As federal funding for this work continues to decrease, using money from the Environmental Remediation (Box) Fund for staff time will help Idaho meet its match obligations and will ensure that the department maintains a local presence in Kellogg. The state of Idaho is responsible for paying the 10% federal match requirement for project costs, and most of the operation and maintenance (OM) costs for the Coeur d'Alene Basin (Operable Unit 3). Operable Unit 3 includes areas contaminated from mining in the Coeur d'Alene Basin that are outside of the Bunker Hill "Box," which is the 21-square-mile area surrounding the former smelter complex that was in Kellogg. Operable Unit 3 consists primarily of the floodplain and river corridor of the Coeur d'Alene River, Lake Coeur d'Alene, the Spokane River, and those areas where mine wastes have come to be located because of flooding transport and deposition, mine wastes were used for road building, or used for fill and construction of residential or commercial properties. The previous year's match adjustment was from the Basin Fund, however at the end of FY 2019, additional work shifted to the Box Fund, and the department reported being short on appropriation for the Box Fund to meet federal match requirements, prompting the supplemental request.</p>					
Agency Request	0.00	0	120,000	(120,000)	0
Governor's Recommendation	0.00	0	120,000	(120,000)	0

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
9. Personnel Appropriation Allocation					
Air Quality, Water Quality, Waste Mgmt. and Remediation					
The department requests \$384,000 be shifted from operating expenditures to personnel costs as part of a department-wide attempt to realign the budget with historical actual expenditures. Annually, the department requests numerous appropriation transfers between programs and object classes at year-end from the Division of Financial Management and the Board of Examiners. This request is made of three parts: 1) a \$50,000 shift of Department of Environmental Quality (Receipts) Funds in the Air Quality Program to account for staff overhead while administering the Volkswagen Settlement. Originally, the appropriation was entirely in operating expenditures, however staff time spent on project management is a reimbursable expense for settlement funds. 2) a \$205,000 shift of federal funds in the Water Quality Program to remove the need to transfer federal appropriation between programs at year-end. 3) a shift of \$129,000 of federal funds in the Waste Management and Remediation Program to correctly model how federal funds will be expended in that program. The department anticipates further adjustments in future budget requests as necessary to closer align the base budget and expenditures.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
10. Small & Disadvantaged Comm. Grant					
Water Quality					
The department requests a onetime appropriation of \$763,700 in trustee and benefit payments to provide grant assistance to small and disadvantaged communities to improve drinking water resources. Of this amount, \$343,700 is from the Water Pollution Control Fund, and \$420,000 is from federal grants. This grant is offered to states and tribes by the Environmental Protection Administration (EPA) to communities that have no household drinking water or wastewater services, or areas served by a public water system that violates or exceeds any maximum threshold for contaminant levels. Projects eligible for grants include household water quality testing or other household focused activities. This grant is like the Drinking Water State Revolving Fund (DWSRF), and requires that the state match 45% of the total grant, which the EPA has deemed cannot come from DWSRF fees or interest. The department is therefore requesting \$343,700 from the Water Pollution Control Fund as a match to the \$420,000 in federal grants.					
Agency Request	0.00	0	343,700	420,000	763,700
Governor's Recommendation	0.00	0	343,700	420,000	763,700
OITS 1 – Operating Costs					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends this agency's share of ongoing funding to pay the Office of Information Technology Services for security software and data center office space located at the Chinden Campus.</i>					
Governor's Recommendation	0.00	5,200	0	0	5,200
OITS 2 – Servers and Licensing					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends this agency's onetime share of funding for software licensing, server infrastructure, and storage to expand system capabilities on core systems and to maintain agency-specific software.</i>					
Governor's Recommendation	0.00	177,800	0	0	177,800
OITS 3 – Agency Tech Consolidation, Phase II					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends Phase II of the consolidation of technology services in specific agencies.</i>					
Governor's Recommendation	(15.00)	(50,200)	(9,300)	(25,100)	(84,600)
OITS 4 – Agency Billings					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends increases to certain agency budgets where OITS billings were in excess of the current year appropriation.</i>					
Governor's Recommendation	0.00	200	0	0	200

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Cash Transfers

Waste Management and Remediation

The department requests that the \$1.5 million requested from the Water Pollution Control Fund in line item 7 be transferred to the Environmental Remediation (Basin) Fund. The following language reflects the cash transfers as requested. If approved, the language below will be included in the appropriation bill.

CASH TRANSFER. There is hereby appropriated to the Department of Environmental Quality and the State Controller shall transfer \$1,500,000 from the Water Pollution Control Fund to the Environmental Remediation (Triumph Mine) Fund, through installments or as practicable for the period July 1, 2020, through June 30, 2021 for Triumph Mine remediation.

Agency Request	0.00	0	(1,500,000)	0	(1,500,000)
Governor's Recommendation	0.00	0	(1,500,000)	0	(1,500,000)

Budget Law Exemptions

Admin., Air, Water, Waste Mgmt., CdA Basin, INL

The department requests the following language be included in its FY 2021 appropriation bill:

REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Environmental Quality any unexpended and unencumbered balances appropriated to the Department of Environmental Quality from the General Fund for Agricultural Best Management Practices for fiscal year 2020, in an amount not to exceed \$500,000, to be used for nonrecurring expenditures related to Agricultural Best Management Practices for the period July 1, 2020, through June 30, 2021.

REMEDIATION PROJECT REPORTING REQUIREMENTS. Moneys deposited into the Environmental Remediation (Basin) Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report with the Governor, the Legislature, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

USES OF THE WATER POLLUTION CONTROL FUND. The appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.

Agency Request	0.00	0	0	0	0
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The Governor recommends a 2% ongoing General Fund reduction across all object codes. To accomplish this reduction the Governor also recommends an exemption from Section 67-3511 (1), (2), and (3), Idaho Code, allowing unlimited transfers of all appropriated moneys among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments, as well as between budgeted programs. This exemption requires legislative approval.

The Governor also recommends reappropriation authority for agricultural best management practices, intent language indicating that the appropriation of monies from the Water Pollution Control Fund specifically superseded the provisions of Section 39-3630, Idaho Code, and that moneys deposited into the Environmental Remediation (Basin) Fund are to be used for remediation of the Coeur d'Alene Basin.

Governor's Recommendation	0.00	(441,200)	0	0	(441,200)
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FY 2021 Total					
Agency Request	389.00	22,743,900	15,814,100	28,942,000	67,500,000
Governor's Recommendation	374.00	22,046,500	15,676,000	28,712,600	66,435,100

Agency Request

Change from Original App	0.00	167,300	(1,139,600)	56,700	(915,600)
% Change from Original App	0.0%	0.7%	(6.7%)	0.2%	(1.3%)

Governor's Recommendation

Change from Original App	(15.00)	(530,100)	(1,277,700)	(172,700)	(1,980,500)
% Change from Original App	(3.9%)	(2.3%)	(7.5%)	(0.6%)	(2.9%)